

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1370

To amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America Combined Benefit Fund by certain surplus amounts in the Fund, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 1995

Mr. MYERS of Indiana (for himself, Mr. HANCOCK, Mr. ARMEY, Mr. THOMAS, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. BUNNING of Kentucky, Mr. HOUGHTON, Mr. HERGER, Mr. MCCRERY, Mr. CAMP, Mr. RAMSTAD, Mr. ZIMMER, Mr. SAM JOHNSON of Texas, Ms. DUNN of Washington, Mr. COLLINS of Georgia, Mr. PORTMAN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. CHRISTENSEN, Mrs. KENNELLY, Mr. PAYNE of Virginia, and Mr. POMEROY) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America Combined Benefit Fund by certain surplus amounts in the Fund, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. REDUCTION IN REQUIRED PREMIUMS TO COM-**  
2 **BINED FUND BY EXCESS SURPLUS IN FUND.**

3 (a) IN GENERAL.—Paragraph (3) of section 9704(e)  
4 of the Internal Revenue Code of 1986 (relating to short-  
5 falls and surpluses) is amended to read as follows:

6 “(3) SHORTFALLS AND SURPLUSES.—

7 “(A) DETERMINATIONS.—

8 “(i) IN GENERAL.—Subject to the  
9 provisions of clause (iv), the trustees of the  
10 Combined Fund shall, as of the close of  
11 each plan year beginning on or after Octo-  
12 ber 1, 1993—

13 “(I) determine any shortfall or  
14 surplus in any premium account es-  
15 tablished under paragraph (1) and, to  
16 the maximum extent possible, reduce  
17 or eliminate any shortfall in any such  
18 account by transferring amounts to it  
19 from any surplus in any other such  
20 account, and

21 “(II) determine, after any trans-  
22 fers under subclause (I), the aggre-  
23 gate shortfall or surplus in the Com-  
24 bined Fund, taking into account all  
25 receipts of any kind during the plan  
26 year from all sources.

1 “(ii) DETERMINATIONS MADE ON  
2 CASH FLOW BASIS.—

3 “(I) IN GENERAL.—Subject to  
4 the provisions of subclause (II) and  
5 clause (iii), any determination under  
6 clause (i) for any plan year shall be  
7 determined under the cash receipts  
8 and disbursements method of account-  
9 ing, taking into account only receipts  
10 and disbursements for the plan year.

11 “(II) CERTAIN PRIOR YEAR SUR-  
12 PLUSES.—For purposes of applying  
13 subclause (I) for any plan year, any  
14 surplus determined under subpara-  
15 graph (A)(i)(II) as of the close of the  
16 preceding plan year, including any  
17 portion used as provided in subpara-  
18 graph (B), shall be treated as received  
19 in the Combined Fund as of the be-  
20 ginning of the plan year.

21 “(iii) DISREGARD OF TRANSFERRED  
22 AMOUNTS.—For purposes of this subpara-  
23 graph—

24 “(I) no amount transferred to  
25 the Combined Fund under section

1           9705, and no disbursements made  
2           from such amount, shall be taken into  
3           account in making any determination  
4           under subparagraph (A) for the plan  
5           year of the transfer or any subsequent  
6           plan year, and

7           “(II) any amount in a premium  
8           account which was transferred to the  
9           Combined Fund under section 9705  
10          may not be transferred to another ac-  
11          count under clause (i)(I).

12          “(iv) SPECIAL RULE FOR 1994.—In  
13          the case of the plan year ending September  
14          30, 1994, the determinations under sub-  
15          paragraph (A) shall be made for the period  
16          beginning February 1, 1993, and ending  
17          September 30, 1994.

18          “(B) TREATMENT OF SURPLUS.—

19          “(i) NONPREMIUM ADJUSTMENTS.—  
20          Any surplus determined under subpara-  
21          graph (A)(i)(II) for any plan year shall be  
22          used first for purposes of the carryover  
23          under section 9703(b)(2)(C), but only to  
24          the extent the amount of such carryover  
25          does not exceed 10 percent of the benefits

1 and administrative costs paid by the Com-  
2 bined Fund during the plan year (deter-  
3 mined without regard to benefits paid from  
4 transfers under section 9705).

5 “(ii) PREMIUM ADJUSTMENTS.—The  
6 annual premium for any plan year for each  
7 assigned operator which is not a 1988  
8 agreement operator shall be reduced by an  
9 amount which bears the same ratio to the  
10 surplus determined under subparagraph  
11 (A)(i)(II) for the preceding plan year (re-  
12 duced as provided under clause (i)) as—

13 “(I) such assigned operator’s ap-  
14 plicable percentage (expressed as a  
15 whole number), bears to

16 “(II) the sum of the applicable  
17 percentages (expressed as whole num-  
18 bers) of all assigned operators which  
19 are not 1988 agreement operators.

20 The reduction in any annual premium  
21 under this clause shall be allocated to the  
22 premium accounts established under para-  
23 graph (1) in the same manner as the an-  
24 nual premium would have been allocated  
25 without regard to this clause, and in the

1 case of assigned operators which sought  
2 protection under title 11 of the United  
3 States Code before October 24, 1992, with-  
4 out regard to section 9706(b)(1)(A). An  
5 assigned operator which is delinquent in  
6 paying any of the premiums assessed  
7 against the operator before the date of the  
8 enactment of this sentence (or assessed at  
9 any time after such date) shall not be eligi-  
10 ble for a reduction under this clause unless  
11 the operator satisfies the delinquency. For  
12 purposes of the preceding sentence, an as-  
13 signed operator shall not be treated as de-  
14 linquent with respect to any amount held  
15 in escrow, or subject to court-approved se-  
16 curity, pending final determination of as-  
17 sessment.

18 “(C) SHORTFALLS.—If a shortfall is deter-  
19 mined under subparagraph (A)(i)(II) for any  
20 plan year, the annual premium for each as-  
21 signed operator shall be increased by an  
22 amount equal to such assigned operator’s appli-  
23 cable percentage of the shortfall. Any increase  
24 under this subparagraph shall be allocated to  
25 each premium account with a shortfall.

1           “(D) NO AUTHORITY FOR INCREASE.—  
 2           Nothing in this paragraph shall be construed to  
 3           allow expenditures for health care benefits in  
 4           any plan year in excess of the limit under sec-  
 5           tion 9703(b)(2).

6           “(E) SPECIAL RULE FOR 1995.—In the  
 7           case of the plan year beginning October 1,  
 8           1994, the adjustment under subparagraph (B)  
 9           shall be made effective as of such date and any  
 10          assigned operator which receives a reduction in  
 11          premiums under subparagraph (B) shall be en-  
 12          titled to a credit to the extent it has paid, tak-  
 13          ing the reduction into account, excessive pre-  
 14          miums during plan year.”

15          (b) AMOUNT OF PER BENEFICIARY PREMIUM.—  
 16          Paragraph (2) of section 9704(b) of the Internal Revenue  
 17          Code of 1986 (defining per beneficiary premium) is  
 18          amended—

19               (1) by striking subparagraph (A) and inserting:

20                     “(A) \$2,116.67, plus”, and

21               (2) by striking “the amount determined under  
 22          subparagraph (A)” in subparagraph (B) and insert-  
 23          ing “\$2,116.67,”.

24          (c) CONFORMING AMENDMENT.—Clause (ii) of sec-  
 25          tion 9703(b)(2)(A) of the Internal Revenue Code of 1986

1 is amended by inserting “(without regard to any reduction  
2 under section 9704(e)(3)(B)(ii))” after “for the plan  
3 year”.

4 **SEC. 2. DISCLOSURE REQUIREMENTS.**

5 (a) IN GENERAL.—Section 9704(h) of the Internal  
6 Revenue Code of 1986 (relating to information) is amend-  
7 ed by adding at the end the following new paragraph:

8 “(2) INFORMATION TO CONTRIBUTORS.—

9 “(A) IN GENERAL.—The trustees of the  
10 Combined Fund shall, within 30 days of a writ-  
11 ten request, make available to any person re-  
12 quired to make contributions to the Combined  
13 Fund or their agent—

14 “(i) all documents which reflect its fi-  
15 nancial and operational status, including  
16 documents under which it is operated, and

17 “(ii) all documents prepared at the re-  
18 quest of the trustees or staff of the Com-  
19 bined Fund which form the basis for any  
20 of its actions or reports, including the eli-  
21 gibility of participants in predecessor  
22 plans.

23 “(B) FEES.—The trustees may charge rea-  
24 sonable fees (not in excess of actual expenses)  
25 for providing documents under this paragraph.”



1       (b) CONFORMING AMENDMENT.—Section 9704(h) of  
2 the Internal Revenue Code of 1986 is amended by striking

3 “(h) INFORMATION.—The” and inserting:

4       “(h) INFORMATION.—

5               “(1) INFORMATION TO SECRETARY.—The”.

